

Message Text

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70

ACTION EB-11

INFO OCT-01 EA-11 ADP-00 DODE-00 INR-10 NSAE-00 RSC-01

TRSE-00 AEC-11 CIAE-00 COME-00 XMB-07 OPIC-12 STR-08

AID-20 PA-03 PRS-01 USIA-12 TAR-02 L-03 RSR-01 /114 W

----- 102344

P 170220Z JUL 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC PRIORITY 5410

UNCLAS TOKYO 9075

E.O. 11652: N/A

TAGS: EIND, ETRD, JA, US

SUBJECT: US FERROUS SCRAP EXPORTS

REF: STATE 134878

SUMMARY: FOLLOWING IS EMBASSY TRANSLATION OF MITI
ANNOUNCEMENT OF SCRAP IRON IMPORT PROCEDURE.

1. MITI ANNOUNCED IN THE MITI BULLETIN OF JULY 13, 1973 THAT THE IMPORTS OF FERROUS SCRAP FROM THE UNITED STATES WILL BE PLACED UNDER A "PRIOR LICENSING SYSTEM" ON AND AFTER JULY 16, 1973 AND THAT THE TOTAL VOLUME OF IMPORTS IN CY 1973 WILL BE LIMITED TO 5,000,000 SHORT TONS. (IN A COMMENTARY SEPARATE FROM THE OFFICIAL ANNOUNCEMENT, MITI STATED ITS OPINION THAT IMPORTS OF A SIGNIFICANT VOLUME OF CONTRACTED LOTS SCHEDULED TO BE SHIPPED DURING THE REMAINDER OF THIS YEAR MAY BE CARRIED OVER INTO NEXT YEAR. MITI INTENDS TO GUIDE THE STEEL INDUSTRY TO SPREAD OUT IMPORTS AS MUCH AS POSSIBLE, BOTH THOSE TO BE MADE DURING THE REMAINDER OF THIS YEAR AND THOSE TO BE CARRIED OVER.)
2. MITI ALSO ANNOUNCED, AS AN INTERIM MEASURE, THAT ANY ENTITY, WHICH HAS ALREADY OBTAINED AN IMPORT LICENSE, OR REPORTED TO MITI PRIOR TO JULY 15 PLANS TO IMPORT U.S.

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SCRAP BUT WHICH HAS NOT YET MADE THE APPLICATION FOR THE

LICENSE OF IMPORT STIPULATED IN ARTICLE 67 OF THE CUSTOMS TARIFF LAW, IS REQUIRED TO OBTAIN AGAIN THE MITI LICENSE STIPULATED IN ARTICLE 10-2 OF THE IMPORT TRADE CONTROL ORDER.

3. MITI ALSO ANNOUNCED, THROUGH THE NOTICE OF HEAVY INDUSTRY BUREAU 48-905 ON JULY 13, 1973, THE MAIN OUT-LINE OF THE PRIOR LICENSING SYSTEM FOR IMPORTS OF U.S. FERROUS SCRAP, WHICH IS AS FOLLOWS:

A. SUBJECT COMMODITY:

WASTE AND SCRAP METAL OF IRON OR STEEL COVERED IN THE JAPANESE CUSTOMS TARIFF CODE NO. 73.03 AND ORIGINATED IN THE UNITED STATES. (THE IRON AND STEEL ADMINISTRATION DIVISION, MITI, HAS ADDED THAT THE UNITED STATES IS DEFINED AS THE FIFTY STATES ONLY AND DOES NOT INCLUDE U.S. TERRITORIES IN OCEANIA.)

B. DETERMINATION OF QUOTAS:

(1) THE DIRECTOR GENERAL OF HEAVY INDUSTRY BUREAU, MITI, WILL DETERMINE THE TOTAL AMOUNT OF QUOTAS TO SCRAP USERS, WHICH WILL CORRESPOND TO THE IMPORT RESTRICTION OF U.S. SCRAP DURING THE PERIOD FROM JULY 16 TO DECEMBER 31, 1973.

(2) HE WILL DIVIDE THE QUOTA INTO "GENERAL QUOTA" AND "RESERVED QUOTA."

(3) WHEN IT IS DEEMED NECESSARY, HE CAN CHANGE THE QUOTA AFTER IT HAS BEEN DETERMINED.

C. ALLOCATION OF THE QUOTA:

(1) THE DIRECTOR GENERAL OF HEAVY INDUSTRY BUREAU, MITI, WILL ALLOCATE, IN ACCORDANCE WITH CRITERIA, WHICH ARE TO BE ESTABLISHED SEPARATELY, THE GENERAL QUOTA FOR EACH OF THE IRON AND STEEL MANUFACTURERS WITH DUE CONSIDERATION BEING GIVEN TO EACH COMPANY'S PRODUCTION PLAN DURING THE PERIOD FROM JULY 1 TO SEPTEMBER 30 AMONG OTHER FACTORS.

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(2) ANY MANUFACTURER, WHO HAS NOT BEEN GRANTED AN ALLOCATION WITHIN THE GENERAL QUOTA MENTIONED IN THE PRECEDING PARAGRAPH AND WHO HAS APPLIED FOR THE IMPORT OF U.S. SCRAP, MAY, FOLLOWING THE EXAMINATION OF THE APPLICATION AND ITS ARGUMENT FOR THE NECESSITY OF THE IMPORT, BE ALLOCATED A RESERVED QUOTA, EITHER THE APPLIED FOR VOLUME, OR A SMALLER VOLUME IF MITI SO DECIDES.

D. OTHER

(1) ANY MANUFACTURER WHO HAS OBTAINED AN ALLOCATION QUOTA TO IMPORT U.S. SCRAP IS REQUIRED TO SUBMIT TWO COPIES OF THE WRITTEN CONTRACT ORDER PLAN BY THE SUPPLIER TO THE IRON AND STEEL ADMINISTRATION DIVISION, HEAVY INDUSTRY BUREAU, MITI AS SOON AS POSSIBLE. WHEN THE MANUFACTURER REVISES HIS PLAN, HE IS ALSO REQUIRED TO DO THE SAME. THE REPORT SHOULD CONTAIN MONTHLY ORDER PLANS BY EACH SUPPLIER AND SCHEDULES OF EACH SHIPMENT FOR EACH MONTH FROM JULY TO DECEMBER, 1973 (FOR JULY, FROM 16TH TO 31ST). SHIPMENT SCHEDULE SHOULD BE MADE ON BOTH A DEPARTURE AND ARRIVAL BASIS AND SHOULD CONTAIN NAME OF VESSEL, LOADING AND UNLOADING PORTS, SCHEDULED DATES OF DEPARTURE AND ARRIVAL, AND VOLUME OF SHIPMENT.

(2) THE DIRECTOR GENERAL OF HEAVY INDUSTRY BUREAU, MITI MAY REQUEST CHANGES SO THAT THE CONTRACT ORDER PLANS MAY BE SUBMITTED IN ACCORDANCE WITH THE PRECEDING PARAGRAPH.

K3). ANY MANUFACTURER WHO HAS BEEN ALLOCATED A QUOTA IS REQUIRED TO SUBMIT TWO COPIES OF A REPORT INDICATING THE BREAKDOWN OF CONTRACT ORDERS, THE RECORDS OF PREVIOUS QUOTA ALLOCATIONS, THE VOLUME DELIVERED TO THE MANUFACTURER, AND THE CONSUMPTION OF U.S. SCRAP IMPORTED UNDER THIS QUOTA SYSTEM BEFORE THE THIRD OF EVERY MONTH, IN AND AFTER AUGUST.

(4) IN ACCORDANCE WITH ARTICLE 17 OF THE IMPORT TRADE CONTROL ORDER, IMPORTING FIRMS OF U.S. SCRAP UNDER THIS SYSTEM MAY BE REQUIRED, IF NECESSARY, TO SUBMIT

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A REPORT ON IMPORT PRICES, SALES PRICES TO DOMESTIC END USERS, NAMES OF PURCHASERS, AND OTHER MATTERS.

4. THE AFOREMENTIONED NOTICE OF HEAVY INDUSTRY BUREAU (48-905) REFERRED TO ONLY THE PERIOD FROM JULY 16 TO DECEMBER 31, 1973. IF MITI WISHES TO EXTEND THE PRIOR LICENSING SYSTEM FOR THE IMPORTS OF U.S. SCRAP FOR THE PERIOD BEYOND DECEMBER 31, 1973, MITI WILL HAVE TO ISSUE NOTICE AT APPROPRIATE TIME.

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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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